

LONG HILL TOWNSHIP SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2014			2005		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

LONG HILL TOWNSHIP SCHOOL DISTRICT  
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Instruction:										
Regular	78.0	79.0	68.0	80.3	68.2	64.9	67.0	67.0	61.75	62.10
Special Education	20.0	26.0	32.5	15.7	27.2	24.5	26.0	24.8	26.40	28.00
Support Services:										
Administration	5.0	6.0	5.6	5.0	5.0	5.0	5.0	5.0	6.00	6.00
Secretarial	5.0	5.0	5.0	5.8	8.0	8.4	8.4	8.4	8.30	8.20
Plant Operations and Maintenance	13.0	13.0	13.0	13.0	13.0	*	*	*	*	*
Other Support Services	11.0	14.0	14.0	11.8	10.5	13.0	16.5	16.0	16.00	17.20
Total	132.0	143.0	138.1	131.6	131.9	115.8	122.9	121.2	118.45	121.50

Sources: District Personnel Records

\* Privatized 7/1/2009

LONG HILL TOWNSHIP SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Average Daily Enrollment	Operating Expenditures ( a )	Cost Per Pupil	Percentage Change	Teaching Staff ( b )	Teacher Ratio	Average Daily Enrollment (ADE) ( c )	Average Daily Attendance (ADA) ( c )	% Change in Average Daily Enrollment	Student Attendance Percentage
2005	1,117.0	\$ 12,917,852	\$ 11,565	4.43%	101.3	1 to 11.03	1,117.0	1,067.0	1.82%	95.52%
2006	1,102.0	13,853,523	12,571	8.70%	107.0	1 to 10.30	1,102.0	1,054.0	-1.34%	95.64%
2007	1,072.0	14,722,102	13,733	9.24%	107.5	1 to 9.97	1,072.0	1,030.0	-2.72%	96.08%
2008	1,050.9	14,935,027	14,212	3.48%	101.0	1 to 10.41	1,050.9	1,008.4	-1.97%	95.96%
2009	1,018.4	14,956,631	14,686	3.34%	116.7	1 to 10.32	1,018.4	980.9	-3.09%	96.32%
2010	1,021.4	15,106,288	14,790	0.70%	103.0	1 to 9.92	1,021.4	984.5	0.29%	96.39%
2011	939.7	14,962,325	15,922	7.66%	97.0	1 to 9.50	939.7	904.9	-8.00%	96.30%
2012	920.9	15,706,282	17,055	7.12%	97.2	1 to 9.47	920.9	887.1	-2.00%	96.33%
2013	869.1	15,941,989	18,343	15.20%	100.0	1 to 8.69	869.1	835.8	-7.51%	96.17%
2014	850.7	15,482,265	18,199	6.71%	97.0	1 to 8.77	850.7	818.0	-7.62%	96.16%

Source: District Records

( a ) Operating Expenditures Equal Total Expenditures Less Debt Service and Capital Outlay.

( b ) Teaching Staff Includes Only Full-Time Equivalents or Certificated Staff.

( c ) Average Daily Enrollment and Average Daily Attendance are Obtained from the School Register Summary (SRS).

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

DISTRICT BUILDING	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>Gillette School (1935)</u>										
Square Feet	31,024	31,024	38,234	38,234	38,234	38,234	38,234	38,234	38,234	38,234
Student Capacity	268	268	300	300	300	300	300	300	300	300
Enrollment	241	247	231	218	196	198	173	170	154	157
<u>Millington School (1935)</u>										
Square Feet	52,025	52,025	72,128	72,128	72,128	72,128	72,128	72,128	72,128	72,128
Student Capacity	622	622	604	604	604	604	604	604	604	604
Enrollment	513	507	491	472	461	444	399	359	368	347
<u>Central School (1933)</u>										
Square Feet	59,800	59,800	74,757	74,757	74,757	74,757	74,757	74,757	74,757	74,757
Student Capacity	421	421	464	464	464	464	464	464	464	464
Enrollment	356	358	359	375	369	379	352	327	326	342
Number of Schools at June 30, 2014:										
Elementary	2									
Middle School	1									
High School										
Other										

Source: District Facilities Office

Year of Original Construction is shown in Parentheses. Increase in Square Footage and Capacity are the Result of Renovations and Additions. Enrollment is Based on the Annual October District Count.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS

UNDISTRIBUTED EXPENDITURES-REQUIRED  
MAINTENANCE FOR SCHOOL FACILITIES

\*School Facilities

	Amount	Total
2005	\$ 334,932	\$ 334,932
2006	407,206	407,206
2007	315,265	315,265
2008	281,786	281,786
2009	328,632	328,632
2010	171,259	171,259
2011	180,716	180,716
2012	306,453	306,453
2013	270,943	270,943
2014	203,694	203,694
	<hr/>	<hr/>
Total School Facilities	<u>\$ 2,800,886</u>	<u>\$ 2,800,886</u>

\* School Facilities as Defined Under EFCFA.  
(NJAC 6A:26-1.2 and NJAC 6A:26A-1.3)

Source: District Records

LONG HILL TOWNSHIP SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2014  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package-Morris Essex Insurance Group:		
Property-Blanket Buildings & Contents	\$ 34,605,176	\$ 5,000
Systems Breakdown	50,000,000	5,000
Commercial General Liability	2,000,000	
Crime- Blanket Employee Dishonesty	500,000	5,000
Excess Umbrella-Morris Essex Insurance Group:		
Policy Limit	10,000,000	10,000
School Board Legal Liability Insurance-Morris Essex Insurance Group:		
Policy Limit	1,000,000	10,000
Business Auto-Morris Essex Insurance Group:		
Policy Limit	1,000,000	1,000
Workers Compensation-Morris Essex Insurance Group:		
Injury Per Accident	5,000,000	
Disease Per Employee	5,000,000	
Disease Policy Limit	5,000,000	
Public Employees Faithful Service-Selective Insurance:		
Business Administrator/School Board Secretary	250,000	

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

November 21, 2014

Honorable President and  
Members of the Board of Education  
Long Hill Township School District  
County of Morris, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Long Hill Township School District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated November 21, 2014.

### Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board of Education's control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.




## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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## INDEPENDENT AUDITOR'S REPORT

November 21, 2014

Honorable President and  
Members of the Board of Education  
Long Hill Township School District  
County of Morris, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

We have audited the Board of Education of the Long Hill Township School District's (the District) compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement and the New Jersey OMB State Grant Compliance Supplement that could have a direct and material effect on each of the Board of Education's major federal and state programs for the year ended June 30, 2014. The Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 04-04. Those standards, OMB Circular A-133 and NJ OMB 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Board of Education's compliance.

## **Opinion on Each Major Federal and State Program**

In our opinion, the Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2014.

## **Report on Internal Control Over Compliance**

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*William M. Colantano, Jr.*

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133 and Expenditures of State Financial Assistance Required by NJ OMB 04-04**

We have audited the financial statements of the District as of and for the year ended June 30, 2014, and have issued our report thereon dated November 21, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 04-04 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS SCHEDULE A  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repay of Prior Year Balance	Balance June 30, 2014		
					June 30, 2013 (Acct Rec) Unearned Revenue						Accounts Receivable	Unearned Revenue	Due to Grantor
US Department of Education Passed Through State Department of Education: Special Revenue Fund:													
NCLB Title IIA	84.367A	NCLB- 400013	\$ 16,366	9/01/2012- 8/31/2013	\$ (3,433)		\$ 3,433						
NCLB Title IIA	84.367A	NCLB- 400014	19,585	7/01/2013- 6/30/2014			19,585	\$ 19,585					
NCLB Title III	84.365A	NCLB- 400014	4,892	7/01/2013- 6/30/2014			4,892	4,892					
IDEA Basic	84.027	IDEA- 400012	232,263	9/01/2011- 8/31/2012	3,430				\$ (3,430)				
IDEA Basic	84.027	IDEA- 400013	229,606	9/01/2012- 8/31/2013	(229,606)		229,606						
IDEA Basic	84.027	IDEA- 400014	209,047	7/01/2013- 6/30/2014			183,064	209,047			\$ (25,983)		
IDEA Preschool	84.173	IDEA- 400013	11,727	9/01/2012- 8/31/2013	(11,727)		11,727						
IDEA Preschool	84.173	IDEA- 400014	11,091	7/01/2013- 6/30/2014			11,091	11,091					
Total Special Revenue Fund					(241,336)	\$ -	463,398	244,615	(3,430)	\$ -	(25,983)	\$ -	\$ -
US Department of Agriculture Passed Through State Department of Education: Enterprise Fund													
Special Milk Program for Children	10.556	N/A	8,204	7/1/2012- 6/30/2013	(786)		786						
Special Milk Program for Children	10.556	N/A	8,266	7/1/2013- 6/30/2014			7,456	8,266			(810)		
Total Enterprise Fund					(786)	-	8,242	8,266	-	-	(810)	-	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (242,122)	\$ -	\$ 471,640	\$ 252,881	\$ (3,430)	\$ -	\$ (26,793)	\$ -	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance	Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2014			Memo		
				June 30, 2013 (Acct Rec) Unearned Revenue				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
State Department of Education													
General Fund:													
Special Education Aid	13-495-034 -5120-089	\$ 553,850	7/01/2012-6/30/2013	\$ (52,439)	\$ 52,439								\$ 553,850
Special Education Aid	14-495-034 -5120-089	542,296	7/01/2013-6/30/2014		496,054	\$ 542,296		\$ (46,242)			\$ (46,242)	542,296	
Security Aid	13-495-034 -5120-084	12,734	7/01/2012-6/30/2013	(1,206)	1,206							12,734	
Security Aid	14-495-034 -5120-084	12,108	7/01/2013-6/30/2014		11,076	12,108		(1,032)			(1,032)	12,108	
Transportation Aid	13-495-034 -5120-014	57,575	7/01/2012-6/30/2013	(5,451)	5,451							57,575	
Transportation Aid	14-495-034 -5120-014	56,278	7/01/2013-6/30/2014		51,479	56,278		(4,799)			(4,799)	56,278	
School Choice Aid	14-495-034 -5120-068	13,477	7/01/2013-6/30/2014		12,328	13,477		(1,149)			(1,149)	13,477	
Extraordinary Aid	13-100-034 -5120-473	161,057	7/01/2012-6/30/2013	(161,057)	161,057							161,057	
Extraordinary Aid	14-100-034 -5120-473	145,710	7/01/2013-6/30/2014			145,710		(145,710)				145,710	
Non-Public Transportation Aid	13-495-034 -5120-014	15,848	7/01/2012-6/30/2013	(15,848)	15,848							15,848	
Non-Public Transportation Aid	14-495-034 -5120-014	15,110	7/01/2013-6/30/2014			15,110		(15,110)				15,110	
On-Behalf TPAF Pension Contribution- Normal Cost and Accrued Liability	14-495-034 -5095-006	260,308	7/01/2013-6/30/2014		260,308	260,308						260,308	
On-Behalf TPAF Pension Contribution- Non-Contributory Insurance	14-495-034 -5095-007	22,977	7/01/2013-6/30/2014		22,977	22,977						22,977	
On-Behalf TPAF Pension Contribution- Post Retirement Medical	14-495-034 -5095-001	464,480	7/01/2013-6/30/2014		464,480	464,480						464,480	
Reimbursed TPAF Social Security Contribution	13-495-034 -5095-002	506,284	7/01/2012-6/30/2013	(23,085)	23,085							506,284	
Reimbursed TPAF Social Security Contribution	14-495-034 -5095-002	475,319	7/01/2013-6/30/2014		475,319	475,319						475,319	
Total General Fund				(259,086)	2,053,107	2,008,063	\$ -	(214,042)	\$ -	\$ -	(53,222)	3,315,411	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance	Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2014			Memo	
				June 30, 2013 (Acct Rec)				Unearned Revenue	Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable
State Department of Education (Cont'd)												
Special Revenue Fund:												
Non-Public Textbook Aid	14-100-034	\$ 8,940	7/01/2013-									
	-5120-064		6/30/2014		\$ 8,940	\$ 8,940						\$ 8,940
Non-Public Nursing Services	14-100-034	12,584	7/01/2013-									
	-5120-070		6/30/2014		12,584	12,584						12,584
Non-Public Technology	13-100-034	3,862	7/01/2012-									
	-5120-373		6/30/2013	\$ 176			\$ (176)					3,686
Non-Public Technology	14-100-034	3,260	7/01/2013-									
	-5120-373		6/30/2014		3,260	3,160			\$ 100			3,160
Non-Public Auxiliary Services Aid	13-100-034	10,033	7/01/2012-									
Compensatory Education	-5120-067		6/30/2013	3,344			(3,344)					6,689
Non-Public Auxiliary Services Aid	14-100-034	11,984	7/01/2013-									
Compensatory Education	-5120-067		6/30/2014		11,984	3,424				8,560		3,424
Non-Public Handicapped Aid	13-100-034	11,101	7/01/2011-									
Supplemental Instruction	-5120-066		6/30/2012	1,457			(1,457)					9,644
Non-Public Handicapped Aid	14-100-034	11,795	7/01/2013-									
Supplemental Instruction	-5120-066		6/30/2014		11,795	5,412				6,383		5,412
Non-Public Handicapped Aid	13-100-034	17,198	7/01/2012-									
Examination & Classification	-5120-066		6/30/2013	8,912			(8,912)					8,286
Non-Public Handicapped Aid	14-100-034	19,426	7/01/2013-									
Examination & Classification	-5120-066		6/30/2014		19,426	11,622				7,804		11,622
Non-Public Handicapped Aid	13-100-034	16,405	7/01/2012-									
Corrective Speech	-5120-066		6/30/2013	3,594			(3,594)					12,811
Non-Public Handicapped Aid	14-100-034	17,968	7/01/2013-									
Corrective Speech	-5120-066		6/30/2014		17,968	14,374				3,594		14,374
Teacher Quality Mentoring	08-495-034	1,705	7/01/2007-									
	-5120-052		6/30/2008									
				137		137						
Total Special Revenue Fund				17,620	85,957	59,653	(17,483)	\$ -	\$ -	26,441	\$ -	100,632
Capital Projects Fund:												
NJ SDA Grants:												
Central Middle School	4000-030	344,240	6/18/2014-									
Upgrades to HVAC System	-14-1001		6/30/2016			344,240		(344,240)				344,240
Gillette Elementary School	4000-050	174,000	6/18/2014-									
Upgrades to HVAC System	-14-1002		6/30/2016			174,000		(174,000)				174,000
Millington Elementary School	4000-060	263,972	6/18/2014-									
Upgrades to HVAC System	-14-1003		6/30/2016			263,972		(263,972)				263,972
Millington Elementary School	4000-060	527,600	6/18/2014-									
Partial Roof Replacement	-14-1004		6/30/2016			527,600		(527,600)				527,600
				-	-	1,309,812	-	(1,309,812)	-	-	-	1,309,812
TOTAL STATE FINANCIAL ASSISTANCE				\$ (241,466)	\$ 2,139,064	\$ 3,377,528	\$ (17,483)	\$ (1,523,854)	\$ -	\$ 26,441	\$ (53,222)	\$ 4,725,855

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2014

**NOTE 1. GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Long Hill Township School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

**NOTE 3. RELATIONSHIP OF GENERAL PURPOSE FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to PL 2003, Ch 97 (A3521). For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferred and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$5,874 for the general fund and (\$1,087,274) for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and Exhibit F-2 for the capital projects fund.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund		\$ 2,013,937	\$ 2,013,937
Special Revenue Fund	\$ 244,615	59,653	304,268
Capital Projects Fund		222,538	222,538
Milk Service Fund	8,266		8,266
	<u>\$ 252,881</u>	<u>\$ 2,296,128</u>	<u>\$ 2,549,009</u>



LONG HILL TOWNSHIP SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2014  
(Continued)

**NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

**NOTE 5. OTHER**

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2014. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2014.

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified  
that are not considered to be material  
weaknesses? Yes X No

Noncompliance Material to General Purpose  
Financial Statements Noted? Yes X No

Federal Awards

NOT APPLICABLE

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes No

2. Reportable conditions identified  
that are not considered to be material  
weaknesses? Yes No

Type of Auditor's Report Issued on Compliance  
for Major Programs?

Any Audit Findings Disclosed that are Required  
to be Reported in Accordance with Section .510  
(a) of Circular A-133 Yes No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
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LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

NOT APPLICABLE

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:

Auditee qualified as a low-risk auditee

           Yes               No

State Awards

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs:

\$300,000

Auditee Qualified as low-risk auditee

  X   Yes               No

Type of Auditor's Report Issued on Compliance  
for Major Programs:

Unmodified

Internal Control Over Major Programs:

1. Material weakness(es) identified?

           Yes      X   No

2. Reportable conditions identified  
that are not considered to be material  
weaknesses?

           Yes      X   No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 04-04?

           Yes      X   No

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
14-495-034-5120-089	\$ 542,296	Special Education Aid
14-100-034-5120-473	145,710	Extraordinary Aid
14-495-034-5095-002	475,319	Reimbursed TPAF Social Security Aid
Various	1,309,812	NJ SDA Aid Cluster

LONG HILL TOWNSHIP SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2014.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2014.

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LONG HILL TOWNSHIP SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

There were no prior year findings or questioned costs.